



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

201129043

APR 28 2011

Uniform Issue Code: 408.03-00

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XXXXXXXXXXXXX  
XXXXXXXXXXXXX

SE:T:EP:RA:T3

Legend:

Taxpayer A	= XXXXXXXXXXXXX
Financial Advisor T	= XXXXXXXXXXXXX
IRA X	= XXXXXXXXXXXXX XXXXXXXXXXXXX XXXXXXXXXXXXX
Account Z	= XXXXXXXXXXXXX XXXXXXXXXXXXX
Amount A	= XXXXXXXXXXXXX
Financial Institution E	= XXXXXXXXXXXXX
Financial Institution R	= XXXXXXXXXXXXX
Date 1	= XXXXXXXXXXXXX
Date 2	= XXXXXXXXXXXXX
Date 3	= XXXXXXXXXXXXX
Date 4	= XXXXXXXXXXXXX

Dear XXXXXXXX:

This is in response to your ruling request dated December 20, 2010, and supplemented by correspondence dated February 25, 2011, March 1, 2011, and April 26, 2011, in

which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code ("Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested.

Taxpayer A, age 75, represents that he received a distribution from IRA X totaling Amount A. Taxpayer A asserts that his failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) of the Code was due to an error made by Financial Advisor T. Taxpayer A further represents that Amount A has not been used for any other purpose.

Taxpayer A represents that on Date 1, acting on the advice of Financial Advisor T, Taxpayer A surrendered IRA X, intending to roll the full amount into a rollover IRA at Financial Institution R. On Date 2, a check from Financial Institution E in Amount A made payable to Taxpayer A c/o Financial Institution R, was received by Financial Advisor T who processed the check. Financial Advisor T's office wrote Taxpayer A's personal account number on the check and deposited the check into Account Z, a non-IRA account on Date 3. Taxpayer A did not become aware that the distribution from IRA X had been deposited into a non-IRA account until Date 4, which was after the 60-day rollover period had passed. Once Taxpayer A became aware of the error, he contacted Financial Advisor T who acknowledged that his office had deposited Amount A into Account Z, a non-IRA account in error.

Documentation provided indicates that Financial Advisor T's office incorrectly completed forms which caused Financial Institution R to deposit Amount A into Account Z, a non-IRA account.

Based on the facts and representations, you request a ruling that the Internal Revenue Service waive the 60-day rollover requirement with respect to the distribution of Amount A.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72 of the Code.

Section 408(d)(3) of the Code defines, and provides the rules applicable to IRA rollovers.

Section 408(d)(3)(A) of the Code provides that section 408(d)(1) of the Code does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the account is maintained if:

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- 1) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60<sup>th</sup> day after the day on which the individual receives the payment or distribution; or
- 2) the entire amount received (including money and other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60<sup>th</sup> day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the one-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Section 408(d)(3)(D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408(d)(3)(E) of the Code provides that the rollover provisions of section 408(d) do not apply to any amount required to be distributed under section 408(a)(6).

Section 408(d)(3)(I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) of the Code where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I) of the Code.

Revenue Procedure 2003-16, 2003-4 I.R.B. 359 (January 27, 2003), provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(I) of the Code, the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country, or postal error; (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and, (4) the time elapsed since the distribution occurred.

The information and documentation submitted by Taxpayer A is consistent with his assertion that his failure to accomplish a timely rollover of Amount A was due to an error by Financial Advisor T which resulted in Amount A being deposited into a non-IRA account.

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Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount A from IRA X. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute Amount A into a rollover IRA. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, are met with respect to such contribution Amount A will be considered a valid rollover contribution within the meaning of section 408(d)(3) of the Code.

This ruling does not authorize the rollover of any amounts that are required to be distributed by section 401(a)(9) of the Code.

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

This ruling is directed solely to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

If you wish to inquire about this ruling, please contact XXXXXXXX, ID Number XX-XXXX at (XXX) XXX-XXXX. Please address all correspondence to SE:T:EP:RA:T3.

Sincerely yours,

*for Ada Perry*  
Laura B. Warshawsky, Manager,  
Employee Plans, Technical Group 3

Enclosures:

Deleted Copy of Ruling Letter  
Notice of Intention to Disclose